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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/710,533	07/19/2004	Steven Lundberg	684001US6	4355

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EXAMINER

KOPPIKAR, VIVEK D

ART UNIT	PAPER NUMBER
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3626

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	03/23/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/710,533

Applicant(s)

LUNDBERG, STEVEN

Examiner

Vivek D. Koppikar

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 January 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date 1/18/07

- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Status of the Application

1. Claims 1-40 have been examined in this application. This is a Final Office Action in response to the "Amendment" and "Remarks" filed on January 18, 2007.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over "How to Control Your Company's Legal Costs" by Harry J. Maue (hereinafter referred to as Maue) in view of US Patent Number 5,970,478 to Walker and in further view of US Patent Number 5,649,117 to Landry.

(A) As per claim 1, Maue in view of Walker and Landry collectively teach a method comprising:

Maue teaches the concept that law firms incur "out-of-pocket" expenses for their clients (Maue: Page 4, Lines 4-17)

Maue does not teach the following steps which are taught by Walker (Col. 5, Ln. 56-Col. 6, Ln. 6): determining for a first law firm client a first duration of time associated with financing an out-of-pocket cost for the first client and determining for a second law firm client a second duration of time associated with financing an out-of-pocket cost for the second client, wherein the first duration of time is different than the second duration of time; the law firm billing the

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first and second law firm clients a separate charge in relation to one or more respective out-of-pocket costs, wherein each charge is based in part on the duration of time determined for the respective first and second clients. At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the teachings of Maue with the aforementioned feature from Walker with the motivation of having a means of calculating a price of loaning credit to a client, as recited in Walker (Col. 41-44). (Note (1): The credit is the amount of money the law firm has to incur for the client's out of pocket expense and this is the amount that incurs a finance charge). (Note(2): Walker teaches that interest is charged on an unpaid balance of an amount—the amount representing unpaid bills (out-of-pocket) expenses. Walker teaches that the finance charge is based on an interest rate and the examiner takes the position that an interest rate by its very definition means that a finance charge which is dependent on an interest rate increases as the time duration that the bill remains unpaid increases. Therefore, if there are two separate clients in Walker with unpaid balances but the amount of time that their balances remain unpaid are different than their finance charges will be different (separate). Furthermore, Maue does not teach that the expenses incurred on behalf of a client which are initially paid for by a law firm and thus financed by the law firm, incur a finance charge. However, it is well known in the art that a party who pays an expense on behalf of another party applies a finance charge to the unpaid balance that the other party owes in order to offset the time value of money.)

Maue and Walker do not teach that the separate charges are automatically determined, however, this feature is well known in the art as evidenced by Landry (Col. 36, Ln. 42-45). At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the combined teachings of Maue in view of Walker with the aforementioned teachings

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from Landry with the motivation of providing an accurate means of providing understandable and complete periodic statements of account activities to clients (payors), as recited in Landry (Col. 35, Ln. 37-42).

(B) As per claim 2, Walker teaches that the separate charges are automatically determined using a flat fee parameter (Walker: Col. 7, Ln. 58-62). The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(C) As per claim 3, in Walker the separate charges are automatically determined using a percentage parameter (Walker: Col. 7, Ln. 58-62). The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(D) As per claim 4, in Walker the duration of time is determined by a length of time it is expected a client will take to reimburse the law firm for the out-of-pocket expense (Walker: Col. 7, Ln. 38-63). The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(E) As per claim 5, in Maue the out-of-pocket cost is a fee paid to a government (Maue: Page 3, Paragraph 1). (Note: Maue does not expressly state that the government agency is the Patent and Trademark office, however, when Maue states that attorneys file motions on behalf of clients the examiner interprets these motions to include documents such as petitions which are frequently filed with a government patent and trademark office.

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(F) As per claim 6, in Landry the out-of-pocket cost is by a transfer of funds from the law firm to a third party (Landry: Col. 4, Ln. 34-36). The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(G) As per claim 7, the combined teachings of Maue in view of Walker and Landry do not teach or suggest that the out-of-pocket cost is financed by a financing organization independent of a law firm, however, the examiner takes Official Notice that this feature is well known in the financial services industry and that it is equivalent to a credit card company. At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified Maue to include this above recited feature with the motivation of providing the law firm or organization incurring the out-of-pocket expenses with a means of paying bills on time without considering their own cash flow.

(H) As per claim 8, in Walker the separate charge is determined prior to a transfer of funds to pay the out-of-pocket cost (Walker: Col. 7, Ln. 58-62). The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(I) As per claim 9, in Walker the separate charge relates to a loan of funds to pay the out-of-pocket cost. The motivation for making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(J) As per claims 10-12, these claims repeat features previously addressed in the rejections of claims 1-3, above, respectively, and are rejected on the same basis.

(K) As per claim 13, in Walker the payment attribute relates to an expected date on which the out-of-pocket expense will be paid by the client (Walker: Col. 7, Ln. 38-63). The motivation for

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making this aforementioned modification to the teachings of Maue is the same as set forth in the rejection of claim 1, above.

(L) As per claims 14-15, these claims repeat features previously addressed in the rejections of claims 5-6, above, respectively, and are rejected on the same basis.

(K) As per claim 16, the combined teachings of Maue, Walker and Landry teach a method comprising:

Maue teaches the concept that law firms incur "out-of-pocket" expenses for their clients (Maue: Page 4, Lines 4-17)

Maue does not teach the following feature which is taught by Walker (Col. 5, Ln. 56-Col. 6, Ln. 6): the step of associating a first law firm client with a first billing plan used to determine a charge to the first client and a second law firm client with a second billing plan used to determine a charge to the second client, wherein each billing plan is based in part on a payment attribute associated with the respective client (i.e. credit rating of the client) (Walker: Col. 7, Ln. 66-Col. 8, Ln. 5), and the first billing plan is different than the second billing plan; the law firm billing the first and second law firm clients a separate charge in relation to one or more respective out-of-pocket costs, wherein each charge is based in part on the cost of financing funds used to cover payment of the out-of-pocket costs. At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the teachings of Maue with the aforementioned feature from Walker with the motivation of having a means of calculating a price of loaning credit to a client, as recited in Walker (Col. 2, Ln. 41-44). (Note(1): The credit is the amount of money the law firm has to incur for the client's out of pocket expense and this is the amount that incurs a finance charge). (Note(2): Walker teaches that interest is

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charged on an unpaid balance of an amount—the amount representing unpaid bills (out-of-pocket) expenses. Walker teaches that the finance charge is based on an interest rate and the examiner takes the position that an interest rate by its very definition means that a finance charge which is dependent on an interest rate increases as the time duration that the bill remains unpaid increases. Therefore, if there are two separate clients in Walker with unpaid balances but the amount of time that their balances remain unpaid are different than their finance charges will be different (separate). Furthermore, Maue does not teach that the expenses incurred on behalf of a client which are initially paid for by a law firm and thus financed by the law firm, incur a finance charge. However, it is well known in the art that a party who pays an expense on behalf of another party applies a finance charge to the unpaid balance that the other party owes in order to offset the time value of money.)

Maue and Walker do not teach the following that the separate charges are automatically determined based on the billing plans associated with each respective first and second clients, however, this feature is well known in the art as evidenced by Landry (Col. 36, Ln. 42-45). At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the combined teachings of Maue in view of Walker with the aforementioned teachings from Landry with the motivation of providing an accurate means of providing understandable and complete periodic statements of account activities to clients (payors), as recited in Landry (Col. 35, Ln. 37-42).

(L) As per claim 17-21, these claims repeat features previously addressed in the rejections of claims 2, 3, 13, 5 and 6, above, respectively, and are rejected on the same basis.

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(M) As per claim 22, the combined teachings of Maue, Walker and Landry teach a method comprising:

Maue teaches the concept that law firms incur “out-of-pocket” expenses for their clients (Maue: Page 4, Lines 4-17);

Maue does not teach the following step which is taught by Walker (Col. 5, Ln. 56-Col. 6, Ln. 6): associating a first law firm client with a first fee schedule used to determine a charge to the first client and a second law firm client with a second fee schedule used to determine a charge to the second client, wherein the second fee schedule provides for a discount to the second law firm client relative to the amount charged to the first client pursuant to the first fee schedule (Walker: Col. 7, Ln. 66-Col. 8, Ln. 5—Note: In Walker customers get discounts based on their credit rating); the law firm billing the first and second law firm clients a separate charge in relation to one or more respective out-of-pocket costs, wherein each charge is based in part on the cost of financing funds used to cover payment of the out-of-pocket costs. At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the teachings of Maue with the aforementioned feature from Walker with the motivation of having a means of calculating a price of loaning credit to a client, as recited in Walker (Col. 2, Ln. 41-44). (Note(1): The credit is the amount of money the law firm has to incur for the client’s out of pocket expense and this is the amount that incurs a finance charge). (Note(2): Walker teaches that interest is charged on an unpaid balance of an amount—the amount representing unpaid bills (out-of-pocket) expenses. Walker teaches that the finance charge is based on an interest rate and the examiner takes the position that an interest rate by its very definition means that a finance charge which is dependent on an interest rate increases as the time duration that the bill remains

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unpaid increases. Therefore, if there are two separate clients in Walker with unpaid balances but the amount of time that their balances remain unpaid are different than their finance charges will be different (separate). Furthermore, Maue does not teach that the expenses incurred on behalf of a client which are initially paid for by a law firm and thus financed by the law firm, incur a finance charge. However, it is well known in the art that a party who pays an expense on behalf of another party applies a finance charge to the unpaid balance that the other party owes in order to offset the time value of money.)

Maue and Walker do not teach that separate charges are automatically determined based on the fee schedules associated with each respective first and second clients, however, this feature is well known in the art as evidenced by Landry (Col. 36, Ln. 42-45). At the time of the invention, it would have been obvious for one of ordinary skill in the art to have modified the combined teachings of Maue in view of Walker with the aforementioned teachings from Landry with the motivation of providing an accurate means of providing understandable and complete periodic statements of account activities to clients (payors), as recited in Landry (Col. 35, Ln. 37-42).

(N) As per claims 23-26, these claims repeat features previously addressed in the rejections of claims 2-5, above, respectively, and are rejected on the same basis.

(O) As per claims 27-40, these claim repeat features previously addressed in the rejections of claims 1-26, above, and differ in that they relate to apparatus claims rather than method claims.

Therefore, these claims are rejected on the same basis as claims 1-26 above.

Response to Arguments

4. Applicant's arguments filed on January 18, 2007 with respect to the pending claims have been fully considered but they are not persuasive. The applicant's arguments will be addressed in sequential order as they were presented in the "Remarks" section filed on January 18, 2007.

(1) Applicants argue that the Maue reference makes no mention of costs incurred by a law firm in connection of financing out-of-pocket costs for a client and the Applicants also claim that Maue actually teaches that a client should limit and prohibit practices in relation to expense items incurred by a law firm. However, the applicants have not pointed to specific page numbers and paragraphs to support their contentions. Moreover, the Examiner would like to point out that Maue does in fact teach the concept of a law firm incurring costs in connection with financing a client's out-of-pocket expenses (Maue: Page 4, Lines 4-17).

(2) Applicants next state that Walker makes no mention of using is teaching to charge clients of a law firm a "separate charge" in relation to out-of-pocket costs. However, the Examiner would like to point out that Maue is used to teach the concept of law firms incurring "out-of-pocket" costs for their clients. Walker is then used to show that it is well known in the finance industry for an entity to set up various credit accounts for various consumers and then to charge "separate (finance) charge" to these customers and Walker teaches this when Walker mentions charging customers for their credit accounts and customizing these accounts to the needs of a particular customer (Walker: Col. 2, Ln. 45-46 and 60-67). One of ordinary skill in the art reading Walker would have had motivation to have set up separate charge accounts for each client, which is taught in Walker (Col. 2, Ln. 45-46 and 60-67).

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(3) Applicants make many arguments against the Landry reference. However, Landry is used solely for the purpose of teaching that it is well known in the financing industry that separate finance charges for customers are automatically determined.

Conclusion

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

6. Any inquire concerning this communication or earlier communications from the examiner should be directed to Vivek Koppikar, whose telephone number is (571) 272-5109. The examiner can normally be reached from Monday to Friday between 8 AM and 4:30 PM.

If any attempt to reach the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached at (571) 272-6776. The fax telephone numbers for this group are either (571) 273-8300 or (703) 872-9326 (for official communications including After Final communications labeled "Box AF").


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Another resource that is available to applicants is the Patent Application Information Retrieval (PAIR). Information regarding the status of an application can be obtained from the (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAX. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, please feel free to contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Sincerely,


Vivek Koppikar

3/7/2007


C. LUKE GILLIGAN
PRIMARY EXAMINER
TECHNOLOGY CENTER 3600